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Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities

Letter dated 15 December 2003 from the Permanent Representative of Azerbaijan to the United Nations addressed to the Chairman of the Committee

On instructions from my Government, I have the honour to transmit herewith the updated report of the Government of the Republic of Azerbaijan to the Committee established pursuant to Security Council resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities in accordance with paragraph 6 of Security Council resolution 1455 (2003) (see annex).

(*Signed*) Yashar **Aliyev**
Permanent Representative

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Annex to the letter dated 15 December 2003 from the Permanent Representative of Azerbaijan to the United Nations addressed to the Chairman of the Committee

Report of the Republic of Azerbaijan pursuant to Security Council resolution 1455 (2003)

I. Introduction

1. Please provide a description of activities, if any, by Usama Bin Laden, Al-Qaida, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends.

Activities by Usama Bin Laden, Al-Qaida or the Taliban have not been detected in Azerbaijan.

Baku branch of the "Benevolence International Foundation" indicated in the 1267 Committee's Consolidated List as an entity belonging to or associated with the Al-Qaida has been observed to be engaged in a charitable-character activity according to its official registration as a humanitarian organization in the Ministry of Justice of Azerbaijan. It should be noted that this organization has not been tracked down to be directly or indirectly involved in the terrorist activities as well as the financing of terrorism in Azerbaijan.

II. Consolidated List

2. How has the 1267 Committee' s List been incorporated within your legal system and your administrative structure, including financial supervision, police, immigration control, customs and consular authorities?

The Ministry of Foreign Affairs with the instructions of the Cabinet of Ministries provides routine submission of the updated Consolidated List without delay to the competent authorities such as the National Bank, Ministry of Finance, Ministry of National Security, Ministry of Interior, State Customs Committee, and State Border Service. They, in turn, transmit this information to all their relevant local bodies and branches.

3. Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the List? If so, please describe these problems.

No problems have been observed during the implementation with regard to the names and identifying information currently included in the List.

4. Have your authorities identified inside your territory any designated individuals or entities? If so, please out line the actions that have been taken.

As it has been already mentioned, in the late 2002 designated in the 1267 Committee's List "Benevolence International Foundation" organization has been identified in Azerbaijan. As the first step, all the financial funds of this organization have been immediately frozen by the National Bank upon locating the certain bank account of "Benevolence International Foundation" at the International Bank of Azerbaijan. The office of its Azerbaijani branch at the address – 69, Bashir Safaroglu str., Baku - has been subsequently closed up as well as forfeited its official registration according to the decision of the Collegium of the Ministry of Justice of 30 December 2002.

5. Please, submit to the Committee, to the extent possible, the names of individuals or entities associated with Usama Bin Laden or members of the Taliban or Al-Qaida that have not been included in the List, unless to do so would compromise investigations or enforcement actions.

None.

6. Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the List?

According to the information provided by the Ministry of Interior, Office of Prosecutor General and Ministry of National Security no facts of bringing lawsuits or instituting legal proceedings by the listed individuals or entities against our competent authorities have been elicited in Azerbaijan.

7. Have you identified any of the listed individuals as nationals or residents of your country?

No one of the listed individuals has been identified as nationals or residents of Azerbaijan.

Do your authorities have any relevant information about them not already included in the List? If so, please provide this information to the Committee as well as similar information on listed entities, as available.

No.

8. According to your national legislation, if any, please describe any measures you have taken to prevent entities and individuals from recruiting or supporting Al-Qaida members in carrying out activities inside your country, and to prevent individuals from participating in Al-Qaida training camps established in your territory or in another country.

According to articles 279 ("Creation of illegal armed groupings or groups") and 114 ("Recruitment") of the Criminal Code, formation of and participation in the illegal armed groupings inside the country as well as participation in the training camps of terrorist organizations established outside Azerbaijan have been criminalized.

More detailed information has been provided in the first (S/2001/1325) and second (S/2002/1022) reports of Azerbaijan to the Counter-Terrorism Committee. *Please, see answers to the questions under subparagraph 1 (a) and 2 (d) of the second report (S/2002/1022).*

III. Financial and Economic Assets Freeze

9. Please, describe briefly:

- **the domestic legal basis to implement the asset freeze required by the resolutions above;**

The following key instruments and norms constitute the domestic legal basis for addressing terrorist financing:

- **Law on Accession to the International Convention for the Suppression of the Financing of Terrorism** of 1 October 2001;

- **Presidential Decree No. 824 on the implementation of the UNSC resolutions 1368 (2001) and 1373 (2001)** of 3 November 2001;
- **Decision No. 205s of the Cabinet of Ministers on the implementation of the above-mentioned Presidential Decree** of 7 November 2001;
- **Presidential Decision on the Action Plan towards the implementation of the UNSC resolutions 1368 (2001), 1373 (2001) and 1377 (2001)** of 11 May 2002;
- **Article 1.11 of the Counter-terrorism Law** (as incorporated by the Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism" of 17 May 2002);
- **Article 214-1 of the Criminal Code** (as incorporated by the Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism" of 17 May 2002);
- **Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism"** of 17 May 2002.

  - **any impediments under your domestic law in this context and steps taken to address them.**

Up to the adoption of the Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism" of 17 May 2002, the national legislation did not defined "financing of terrorism" as a special criminal offence. Notwithstanding, our legislation provided for the possibility of sanctioning "financing of terrorism" in the context of criminal complicity.

Pursuant to the Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism" of 17 May 2002 and the Presidential Decree on Application of the Law on amendments and additions to several legal acts of the Republic of Azerbaijan in view of the application of the Law on "Accession to the Convention for the Suppression of Financing of Terrorism" of 27 May 2002, a new Article 214-1 has been incorporated into the Criminal Code. Article 214-1 of the Criminal Code formulates terrorism financing as a "deliberate provision or collection of funds or other property, in full or in part, directly or indirectly, for the purposes of committing an act of terrorism". The sanction for this crime is imprisonment for the term ranging from eight to twelve years with confiscation.

10. Please describe any structures or mechanisms in place within your Government to identify and investigate Usama bin Laden, Al-Qaida or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.

Any Financial Intelligence Unit reporting about the suspicious transactions has not been established in Azerbaijan yet. The coordination of the information related to the identification and investigation of Usama bin Laden, Al-Qaida or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them is carried out by the National Bank.

All the competent Azerbaijan's state agencies make bilateral and multilateral information exchange with their foreign partners. The legal basis for the exchange of information constitutes the Law on mutual legal assistance in criminal matters, Law on "Accession to the Convention for the Suppression of Financing of Terrorism" as well as bilateral and multilateral agreements of Azerbaijan with foreign countries.

For more detailed information, *please, see answers to the questions under subparagraph 1 (b), (c) and (d) of the second report of Azerbaijan to the Counter Terrorism Committee (S/2002/1022).*

11. Please convey the steps banks and/or other financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Usama bin Laden or members of Al-Qaida or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer" requirements. Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.

According to the domestic procedure the updated Consolidated list is forwarded first to the National Bank as a banking control organ. In its turn, the National Bank transmits the list to the banks operating in Azerbaijan with the instruction to locate and investigate the bank accounts or bank transactions of the listed individuals and organizations, and the latter present to the National Bank all the necessary information in this regard.

"Due diligence" and "know your customer" requirements have been incorporated to the appropriate regulations issued by the National Bank. Pursuant to the National Bank regulations, the credit agencies in Azerbaijan are required to get the identification documentation (passport, ID, etc.) from their clients and to keep all the information and banking essential elements in the banks. As for conducting transactions with the legal entities, it is required that they provide the credit agency with the relevant information about their founders and managing staff, scope of activities, registration, documentation package about the taxes, statistics, social security registration etc. In order to identify the transaction it is also required to submit to the bank the appropriate documents about beneficiary and banking identity, purpose of transaction as well as confirmatory documentation. The whole provided information is kept in the banks during five years.

12. Resolution 1455 (2003) calls on Member States to provide "a comprehensive summary of frozen assets of listed individuals and entities". Please provide a list of the assets that have been frozen in accordance with this resolution. This list should also include assets frozen pursuant to resolutions 1267 (1999), 1333 (2001) and 1390 (2002). Please include, to the extent possible, in each listing the following information:

- **identification(s) of the persons or entities whose assets have been frozen;**

Upon the identification of the account belonging to the "Benevolence International Foundation" (Consolidated List, D. The list of entities belonging to or associated with the Al-Qaida organization, 53 (e) Bashir Safar Ugli 69, Baku, Azerbaijan; (f) 69 Boshir Safaroglu St., Baku, Azerbaijan) in the International Bank of Azerbaijan, the assets of this organization were promptly frozen on 6 December 2002.

- **a description of the nature of the assets frozen (i.e., bank deposits, securities, business assets, precious commodities, works of art, real estate property, and other assets);**

Bank deposit.

- **the value of assets frozen.**

40 USD.

13. Please indicate whether you have released pursuant to resolution 1452 (2002) any funds, financial assets or economic assets that had previously been frozen as being related to Usama Bin Laden or members of the Al-Qaida or the Taliban or associated individuals or entities. If so, please provide reasons, amounts unfrozen or released and dates.

No funds, financial assets or economic assets had previously been frozen as being related to Usama Bin Laden or members of the Al-Qaida or the Taliban or associated individuals or entities in Azerbaijan.

14. Pursuant to resolutions 1455 (2003), 1390 (2001), 1333 (2000) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to Listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designated individuals and entities. This section should include a description of:

- **The methodology, if any, used to inform banks and other financial institutions of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of Al-Qaida or the Taliban. This section should include an indication of the types of institutions informed and the methods used.**

Institutions usually informed by the National Bank of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of Al-Qaida or the Taliban are all the banks operating in Azerbaijan. As it has been earlier indicated, the National Bank transmits the information to the banks and financial institutions by issuing special instructions.

- **Required bank-reporting procedures, if any, including the use of Suspicious Transaction Reports (STR), and how such reports are reviewed and evaluated.**
- **Requirements, if any, placed on financial institutions other than banks to provide STR, and how such reports are reviewed and evaluated.**

Due to the lack of a special legislation on anti-money laundering, there is no clear definition of a "suspicious or unusual transaction" in the legislation. Although the legislation does not contain any mandatory reporting requirement, banks and bureaux de change in Azerbaijan are required to report suspicious or unusual transactions to the National Bank according to the AML/CFT-related normative regulations and instructions of the National Bank. Compliance by the mentioned financial institutions

with the reporting obligations for suspicious and unusual transactions is monitored through the on-site and off-site inspections carried out by the National Bank.

According to the banking regulations any suspicious or unusual transaction can be implemented if it is clearly specified and only in order to verify its accuracy.

For more detailed information about STR, *please, see answers to the questions under subparagraph 1 (b) and 2 (g) of the second report of Azerbaijan to the Counter-Terrorism Committee (S/2002/1022).*

- **Restrictions or regulations, if any, placed on the movement of precious commodities such as gold, diamonds and other related items.**

N/A.

- **Restrictions or regulations, if any, applicable to alternate remittance systems such as – or similar to – "hawala", as well as on charities, cultural and other non-profit organizations engaged in the collection and disbursement of funds for social or charitable purposes.**

According to the domestic legislation, the application of alternate remittance systems and mechanisms such as – or similar to – "hawala" is totally prohibited.

IV. Travel Ban

15. Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.

In order to prevent the entry into and transit through the territory of Azerbaijan of the terrorists and other criminals, there has been established an *Automatic Information Retrieval System* (AIRS) at the certain border checkpoints. This system includes all the immigration control authorities – State Border Service, Department for visas and registration of foreign citizens of the Ministry of Interior, Consular Department of the Ministry of Foreign Affairs - and is aimed at accurate registration of all those who cross the border line at the checkpoints as well as ensures the effective check of their identification documents.

The law-enforcement bodies periodically renew the search list that comprises suspected persons, persons having committed an offence and wanted persons. For the purpose of conducting checks this list is forwarded to the relevant agencies, including immigration control authorities.

16. Have you included the names of the listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.

The listed individuals have been placed under control of the relevant state agencies at the border checkpoints. In this regard no problems have been encountered.

17. How often do you transmit the updated List to your border control authorities? Do you possess the capability of searching List data using electronic means at all your entry points?

The updated Consolidated List is transmitted to the border control authorities by the described above procedure approximately once in three months. Given that the List is being regularly changed and supplemented, the appropriate government agencies have been informed about the List maintained on the UNSC 1267 Committee's web-site http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm.

The mentioned above united entry-exit database system AIRS operating in Azerbaijan enables to overall monitor the border crossings in an on-line mode.

18. Have you stopped any of the listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.

There has not been registered any case of stopping the listed individuals at any of the border points of Azerbaijan or while transiting the territory of Azerbaijan.

19. Please provide an outline of the measures, if any, taken to incorporate the List in the reference database of your Consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the List?

Please, see answer to question 15.

V. Arms Embargo

20. What measures, if any, do you now have in place to prevent the acquisition of conventional arms and weapons of mass destruction (WMD) by Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapons development and production?

For the detailed information about the legal and other measures which regulate export control in Azerbaijan, *please, see answers to the questions under subparagraph 2 (a) of the second report of Azerbaijan to the Counter-terrorism Committee (S/2002/1022).*

21. What measures, if any, have you adopted to criminalize the violation of the arms embargo directed at Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them?

N/A

22. Please describe how your arms/arms broker licensing system, if any, can prevent Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them from obtaining items under the established arms embargo.

Please, see answer to question 20.

23. Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted/used by Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated?

Please, see answer to question 20.

VI. Assistance and conclusion

Please, find enclosed the Report of Azerbaijan on the Counter-Terrorism related Capacity Building Assistance Needs (annex 1).

ANNEX

Assessment Report of the Counter-Terrorism related Capacity Building Assistance Needs

Introduction

From the very first day, Azerbaijan has joined the international anti-terrorist coalition to contribute to the struggle of the world community against the scourge of terrorism. Having maintained its firm position against terrorism, Azerbaijan stands ready to do its utmost to eradicate this evil and has undertaken certain measures to strengthen the effectiveness of countering terrorism on national and international levels.

However, achievements of Azerbaijan in the counter-terrorism area are retarded by the scarcity of necessary logistics and equipment for effective implementation of counter-terrorism measures and the difficulty of providing such logistic support at the expense of internal resources. For the purposes of enhancing the counter-terrorism capacity of the government bodies, it is of an utmost importance to create comprehensive logistics capacities and equipment alongside maintaining the existing operational capabilities. From this perspective, counter-terrorism related capacity building assistance needs have been defined as follows.

I. EQUIPMENT AND LOGISTICS SUPPORT

1. **Purpose: enhancing mobility of counter-terrorism task forces to undertake preventive measures as well as during terrorist chasing and covert operations.**

1.1. Provision of equipment for observation and surveillance:
- video and photo-surveillance equipment;
- laser sight for automatic guns;
- mobile points of secret audio-video observations;
- long-distance and night observation optic devices, etc.

1.2. Provision of equipment for development of information-exchange and communication network:

- special speaking devices for communication during the operation;
- re-transmitter operating at different frequency diapason;
- manual and mobile radio stations for vehicles;
- sources/facilities of radio electronic emanation;
- radio-monitoring system at HF/VHF/UHF diapason for the direction-finding of the GSM type mobile phones, radio coverage and decoding of information.

1.3. Provision of equipment designed for specific purposes:

- criminalistic laboratory set up in the flexible carrier helicopter, or car;
- criminalistic and technical facilities;
- facilities for secret acquisition and documentation of audio-video information;
- facilities to detect devises for covert/secret acquisition of information;
- facilities for radiolocation (navigation) of moving objects;
- facilities for opening of locking devices;
- facilities for secret passing of building structures;
- special capturing devices to detain transportation means;
- special devices to detect counterfeit money;
- infrared spectroscopy.

1.4. Provision of transportation facilities:

- helicopters and aircrafts (*comments*: such kind of equipment is needed to efficiently conduct anti-terrorist operations in the stiff terrain and high mountainous areas);
- minibuses with special equipment;
- cross-country vehicles.

1.5. Provision of personal safety outfit (jackets, helmets, etc.).

2. Purpose: enhancing capacity of border control and customs services to detect radioactive and WMD components and to neutralize explosives.

2.1. Provision of detection and neutralization equipment:

- mobile chemical and biological laboratory equipped with radiation measuring devices;
- special criminalistic laboratory set up in the flexible carrier (helicopter, or car);
- ionizing radiation meter;
- isotope detecting devices;
- special monitors;
- equipment for detection of new types of explosive devices and items in postal channels;
- facilities for the neutralization of explosive devices.

2.2. Provision of personal protection facilities (defense suits, autonomous breathing devices, etc.).

2.3. Provision of equipment and logistics support for creation of Cynological Center at the State Customs Committee (*comments:* trained dogs will be used in the detection of drugs, which mostly serve as a financial source for terrorism, explosive substances and devices, weapons and other means possibly to be used by terrorists).

3. Purpose: establishment of modern information management systems and communication infrastructure

Comments: There is an immense necessity to purchase encrypted communication facilities and other technical facilities for obtaining, gathering, systemization, analysis and exchange of written, audio, video and digital information between relevant government agencies as well as between Azerbaijan and the partner countries.

3.1. Creation of a stationary and mobile information-communication infrastructure of counter-terrorism task forces:

- upgrade of commutation equipment designed for the telephone communication networks;
- upgrade of a computer network among the government agencies dealing with counter-terrorism, on one hand, and within the government agencies themselves;
- creation of an encrypted digital radiotrank communication in Baky, and for these purposes establishment of a local computer network and develop a special software for databases and circulation of electronic documents;

3.2. Upgrade of computer systems used for the analysis of audio-video materials.

4. Purpose: ensuring security of maritime boundaries.

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4.1 Modernization and equipment upgrading of technical observation posts along coastal border posts and uniting them in one network (comments: in order to ensure security of oil deposits and floating facilities in the Azerbaijani sector of the Caspian Sea against potential terrorist attacks)

4.2. Creation of special divisions and infrastructure for border guard vessels in North (Khachmaz district) and South (Lenkeran district) directions, as well as in the water storage of Araz river network in the Nakhichevan Autonomous Republic.

II. PERSONNEL TRAINING

Comments: the provision of modern equipment should be accompanied by assistance in personnel training.

1. Purpose: development of local facilities for training in the counter-terrorism area.

1.1. Establishment of a Counter Terrorism Education Center.

Comments: This need stems from the fact that at present, training process for the Azerbaijani specialists is provided by partner countries, primarily by the United States, once in every 1-3 months by 1-3 week courses for a group in different foreign countries. In our opinion, it would be more reasonable instead of making large expenditures for tens of people for their travel abroad, for their lodging and training, to direct those funds to the implementation of programs at the existing educational centers on permanent and long-term basis and also attract specialists from other partner countries to these programs. Nowadays there are Academy of the Ministry of National Security, Police Academy and Academy under the State Customs Committee in Azerbaijan. It should be also noted that there is a Training Center on migration issues established at the Academy of the Ministry of National Security with the assistance of International Migration Organization.

1.2.Strengthening the logistical basis of the existing Regional Education Center for customs control officers.

Comments: The Regional Education Center was built in Baky according to the Memorandum signed between the State Customs Committee of Azerbaijan and World Customs Organizations, and is designated for preparing professional cadres for custom services of the states in the region. It is necessary to provide this Center with up-to-date education facilities, and also with facilities to be used in the trainings on counter-terrorism issues.

1.3.Elaboration of educational methodic facilities, instruction-based text-books and literature on terrorism issues.

2. Purpose: increasing the capacity in training of translators

Comments: According to national legislation, all the international instruments Azerbaijan is going to be a party to should be translated into the official Azerbaijani language and afterwards, pass through the internal review procedures.

2.1. Organization of the courses and training for law translators.

2.2. Provision of equipment and logistics support to establish a Translation Center.

ANNEX

III. OTHER TECHNICAL AND EXPERT ASSISTANCE

1. Purpose: assessment of the existing national resources and optimizing the national structure.

1.1.Development of Counter-terrorism Country Programme for Azerbaijan;

1.2.Roadmapping the Counter-terrorism Assistance Programme for Azerbaijan.